

New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Quarterly Report

Third quarter ended
September 25,
2010



lunetteria
NEWLOOK
eyewear

Celebrating 25 years of vision in 2010

Message to Shareholders



To our shareholders,

New Look Eyewear Inc. is the resulting corporation following the completion of the conversion of Benvest New Look Income Fund to a corporate structure effective March 2nd, 2010. The acquisition of Sonomax Hearing Healthcare and the conversion of the Fund into a corporation in the first quarter of 2010 was a major step forward for New Look, its management and shareholders. It removes the uncertainty resulting from the Federal government's announced change in laws re: income trusts in 2007 in a very positive fashion which we believe is already reflected in higher trading values for New Look's common shares since early March.

The situation returned to normal in the third quarter of 2010 after the problems incurred in the second quarter. Revenues were \$16.6 million compared to \$16.4 million in the previous year, an increase of 0.7%. EBITDA⁽¹⁾ for the quarter was \$2.24 million compared to \$2.19 million in the previous year. Net earnings were \$1.1 million (\$0.11 per share) compared to \$0.8 million (\$0.08 per unit) in the previous year.

Year-to-date, for the 39-week period ending September 25th, 2010, the Company recorded revenues of \$51.3 million, on par with the revenues achieved in the same period last year. EBITDA at \$6.6 million compared to 8.0 million last year was impacted by lower second quarter results. Net earnings were \$2.2 million (\$0.22 per share) compared to \$3.9 million last year (\$0.39 per unit). Beside the disappointing second quarter results, these earnings were also impacted by one-time costs of \$0.9 million recorded due to the conversion from an income trust back to a corporation.

Following the approval of the results of the third quarter, and in line with the previously announced policy of paying a quarterly dividend, the Board of Directors of New Look approved the payment of a dividend of \$0.15 per common share payable on November 30th, 2010 to the shareholders of record as of November 21st, 2010. The dividend qualifies as an «eligible dividend», i.e. a dividend entitling shareholders who are Canadian resident individuals to a higher dividend tax credit.

The Company has plans to open three additional stores over the next year, including one by acquisition. Details of the operating and financial performance of New Look are set out in the financial statements and the Management Discussion and Analysis herein.

We continue to focus on our strategy of increasing our market share through generating more customer traffic in our stores, opening new stores, updating existing ones and making strategic acquisitions. Concurrently, we are actively adding to our team of independent optometrists, opticians and other professional staff. We are also dedicating resources to projects aimed at improving operating efficiency and embracing the latest lens technologies. We firmly believe that value added customer service continues to comprise a major part of our success.

A handwritten signature in black ink, appearing to read "W. John Bennett".

W. John Bennett
Chairman
New Look Eyewear Inc.

A handwritten signature in black ink, appearing to read "Martial Gagné".

Martial Gagné, CMA
President
New Look Eyewear Inc.

(1) EBITDA refers to consolidated earnings before interest income and expenses, income taxes, and amortization. It excludes any gain or loss on foreign currency translation (except if related to cost of goods sold), net gains or losses related to former portfolio investments, equity-based compensation, and the cost of conversion to a corporation. EBITDA is not a recognized measure under Canadian generally accepted accounting principles (GAAP) and may not be comparable to similar measures used by other entities. The Company believes that EBITDA is a useful financial metric as it assists in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings or cash flows as determined under GAAP.

New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Management's Discussion and Analysis

Third quarter ended
September 25,

2010



Celebrating 25 years of vision in 2010

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

HIGHLIGHTS

On March 2, 2010, Benvest New Look Income Fund (the "Fund") was converted to a corporation named New Look Eyewear Inc. ("New Look" or the "Company"). For accounting purposes, New Look is the successor of the Fund. Highlights for the third quarter and the 39-week period ended September 25, 2010 compared to the corresponding periods of 2009 are as follows:

Periods ended ^(a)	13 weeks		39 weeks	
	Sept. 25, 2010	Sept. 30, 2009	Sept. 25, 2010	Sept. 30, 2009
Revenues	\$16,569	\$16,446	\$51,264	\$51,333
<i>Variance</i>	<i>0.7%</i>		<i>(0.1%)</i>	
<i>Comparable stores variance</i>	<i>(0.6%)</i>		<i>(1.4%)</i>	
EBITDA ^(b)	\$2,242	\$2,188	\$6,614	\$8,027
<i>Variance</i>	<i>2.5%</i>		<i>(17.6%)</i>	
<i>% of revenues</i>	<i>13.5%</i>	<i>13.3%</i>	<i>12.9%</i>	<i>15.6%</i>
Net earnings attributed to shareholders / unitholders ^(c)	\$1,072	\$824	\$2,204	\$3,861
<i>Variance</i>	<i>30.1%</i>		<i>(42.9%)</i>	
Net earnings per share or unit ^(c)				
Basic and diluted	\$0.11	\$0.08	\$0.22	\$0.39
Cash flows from operating activities	\$2,373	\$2,966	\$6,407	\$9,238
Capital expenditures ^(d)	\$415	\$597	\$4,071	\$3,975
Issuance of units			\$123	\$951
Increase (decrease) in net debt ^(e)	(\$487)	(\$578)	\$1,233	(\$1,551)
Cash distribution per share or unit ^(f)	\$0.15	\$0.163	\$0.312	\$0.488
Distributions, dividends and related taxes ^(f)	\$1,503	\$1,518	\$3,080	\$4,495
At end of quarter				
Total assets ^(g)			\$47,846	\$38,028
Net debt ^(e)			\$10,537	\$9,911
Number of stores			64	63

- (a) Although the third interim accounting period of the Fund ended September 30, 2009, the interim accounting period of the former subsidiary, also named New Look Eyewear Inc., ended the last Saturday of September 2009. Consequently, each quarter under comparison includes 13 weeks of operations and each year-to-date period includes 39 weeks of operations.
- (b) Refer to the section EBITDA below for a definition and comments on EBITDA.
- (c) Variances in net earnings and net earnings per share compared to last year are explained in the section *Results of operations*.
- (d) Capital expenditures made in 2010 related mainly to the addition of a store and the Sonomax conversion transaction. The above amounts include expenditures financed through debt assumptions and balances of purchase price. Refer to the section *Liquidity* for a reconciliation of capital expenditures affecting the cash flows and total capital expenditures.
- (e) Net debt refers to the long-term debt, including balances of purchase price of assets, short-term bank indebtedness, net of cash.
- (f) The amounts of distributions and dividends shown in the table above refer to amounts declared in the period. The distribution has been paid monthly from the inception of the Fund in May 2005 to its conversion to a corporation in March 2010. The policy of New Look is to declare quarterly dividends beginning with May 2010.
- (g) The increase in total assets over the last 12 months reflects, among others, the addition of a store, the renovations of stores, and the Sonomax conversion transaction.

BACKGROUND

Management's discussion and analysis ("MD&A") relates to the financial condition, results of operations and cash flows of New Look and its predecessor, the Fund, together with those of the former subsidiary, also named New Look Eyewear Inc., and a variable interest entity ("VIE"). The non-controlling interest referred to in the financial statements represent the share of the VIE in earnings and assets.

In this MD&A, unless the context requires more precision, a reference to New Look includes a reference to the former subsidiary of the Fund and to the new entity resulting from the conversion of the Fund to a corporation.

Conversion of the Fund to a corporation

The Fund was an unincorporated, open-ended limited trust established under the laws of the Province of Ontario by a declaration of trust dated March 15, 2005. The purpose of the Fund was to hold securities of the former New Look, a corporation involved in the eye care services industry in Canada. The Fund's units were traded on the Toronto Stock Exchange under the symbol BCI.UN.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

New Look results from the conversion of the Fund to a corporation on March 2, 2010 pursuant to an arrangement governed by the *Canada Business Corporations Act*. The arrangement involved the Fund, its former subsidiary and Sonomax Hearing Healthcare Inc. ("Sonomax"). The arrangement was approved by the unitholders of the Fund and the holders of exchangeable shares of former New Look at a special meeting held on February 26, 2010 and it was subsequently sanctioned by the Québec Superior Court. As a result of the arrangement, the new entity New Look carries on the eye care business previously operated by the Fund's subsidiary and distribution activities related to hearing protection devices.

Rationale and benefits of the conversion

In 2007, the Federal government introduced legislation regarding "specified investment flow-through trusts", such as the Fund, imposing new taxes on their distributions and other restrictions. These provisions are scheduled to take effect in 2011. At the same time, the income tax rules allow for the conversion of a trust to a corporation to be effected on a tax-deferred basis if completed prior to 2013. The Fund reviewed various options and came to the conclusion that converting back to a corporate structure prior to 2011 was the best alternative following these new rules.

In addition, for the past several years, New Look has been examining various opportunities for expanding its products and services through its retail network of optical stores and has been monitoring industry trends in Canada and internationally in this regard. As a result of these considerations, management initiated discussions with Sonomax, a company based in Montreal, which wanted to sell a portion of its distribution business in order to continue to execute its previously announced strategy of becoming a product development and licensing company. On January 21, 2010, an arrangement agreement was signed with Sonomax to achieve the objective of converting back into a corporate structure while at the same time expanding New Look's products and services.

Key benefits for the Fund implementing the conversion include:

- Greater access to equity capital markets and widening of potential investor interest in New Look shares in light of the decreasing importance of the public business income trust market;
- Sonomax hearing healthcare assets and products are a complement to the current eyewear products and services sold through the New Look retail store network;
- The arrangement provided for an effective and efficient method to convert from an income trust to a corporation under existing legislation without adverse tax consequences to the Fund, the unitholders or the New Look exchangeable shareholders;
- The conversion has led to a simplified and more efficient capital structure, as a result of the elimination of the exchangeable shares of New Look; and
- New Look has acquired future income tax assets.

Details of the conversion

The arrangement and subsequent operations resulted in the following:

- Each Fund unit and each exchangeable share of former New Look have been replaced by common shares of the new entity New Look on a one-for-one basis;
- The former trustees and management of the Fund (and former New Look) have become the directors and management of the new entity New Look;

- The new entity New Look holds the assets and business of former New Look and continues its operations; it also holds a license to distribute hearing protection devices with related inventory and furniture;
- The investment in Sonomax represented \$1,740,000 of which \$1,566,000 was paid cash, the balance of \$174,000 being in the form of preferred shares redeemable over the next two years;
- The common shares of the new entity New Look are listed on the Toronto Stock Exchange under the symbol BCI. Following the conversion, there has been no dilution in the number of shares from the number of units and exchangeable shares outstanding immediately prior to the conversion and no change in the respective interest of unitholders of the Fund and shareholders of former New Look;
- Options to purchase Fund units have been replaced by options to purchase shares of the new entity New Look under the same conditions as those existing under the Fund option plan;
- For accounting purposes, the new entity New Look is considered the continuity of the Fund and accordingly, the carrying value of the Fund's assets and liabilities has become the carrying value of the new entity New Look.

In conjunction with the reorganization, the Fund's policy to make monthly distributions has been replaced by New Look's policy to make quarterly dividends. The initial quarterly rate has been established at \$0.15 (\$0.60 per annum) subject to New Look's ongoing operating results, optical market conditions in which it is operating and other factors normally associated with the declaration of dividends by a corporation. These dividends will generally be eligible for dividend tax credits for individuals residing in Canada. In 2009, only approximately 36% of the Fund's distributions qualified for dividend tax treatment. A "stub" dividend covering the period from March 3, 2010 to March 27, 2010, in the amount of \$0.05 per share, was paid on May 31, 2010 to shareholders of record on May 21, 2010. Another dividend of \$0.15 per share was paid on August 31, 2010.

Details of the arrangement are set out in the Information Circular dated January 29, 2010 filed by the Fund through the SEDAR system at www.sedar.com. The circular is also available on New Look's website at www.newlook.ca.

General information

This MD&A provides prospective data, comments and analyses wherever appropriate to assist readers in viewing the business from a corporate management's point of view.

All financial information reflected herein is expressed in Canadian dollars (unless otherwise indicated) and determined on the basis of Canadian generally accepted accounting principles ("GAAP"). You should read the following discussion and analysis together with the interim consolidated financial statements for the period ended September 25, 2010 and with the December 31, 2009 year-end audited consolidated financial statements of the Fund.

Additional information relating to the Fund and New Look can be found on the website www.newlook.ca. The Fund's and New Look's continuous disclosure materials, including the annual and quarterly MD&A, annual and quarterly financial statements, the December 31, 2009 year-end audited consolidated financial statements of the Fund, annual information forms, proxy solicitation and information circulars and various press releases issued by the Fund and New Look are also available directly through the SEDAR system at www.sedar.com.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

OUR BUSINESS

New Look is a leading provider of eye care products and services in Eastern Canada. As of September 25, 2010, its network consisted of 64 eye care stores: 57 are located in major cities in the Province of Québec and seven serve the Ottawa, Ontario region. New Look operates a complete eyewear transformation laboratory which is located in Ville St-Laurent, Québec.

New Look sells its products and services through its corporate-owned retail stores.

APPROVAL OF THE FINANCIAL STATEMENTS

New Look's interim consolidated financial statements for the period ended September 25, 2010 have been approved by the Board of Directors upon recommendation of the Audit Committee.

ACCOUNTING POLICIES

The interim consolidated financial statements of New Look for the 39-week period ended September 25, 2010 are consistent with the policies and methods of application outlined in the audited consolidated financial statements of the Fund for the year ended December 31, 2009 with the exceptions described below.

Business combinations and presentation of consolidated financial statements

New Look has early adopted, beginning with the 2010 fiscal year, the new standard related to business combinations which will be compulsory in 2011 with the adoption of the international financial reporting standards ("IFRS") and which will anyway apply retrospectively to 2010. Management has determined that the main impact of this new standard is the expensing of acquisition costs in the periods they are incurred instead of being capitalized as part of the cost of the acquisition.

In conjunction with the early adoption of this new standard, New Look also had to early adopt the new presentation of consolidated financial statements. For this reason, the non-controlling interest on the balance sheet has been reclassified from the liabilities to the equity and the statement of earnings now shows an attribution of net earnings between the shareholders and non-controlling interest rather than deducting the non-controlling interest to arrive to net earnings.

New accounting periods

The new entity New Look has adopted the accounting periods already in use by former New Look, i.e. the last Saturday of March, June, September and December. Hence the 2010 fiscal year will end December 25, 2010, each quarter having 91 days. Although the Fund used calendar-based periods, the comparative figures in the statement of earnings and the related notes actually reflect the activities of former New Look, which were reported on the basis of its accounting periods.

FUTURE ACCOUNTING STANDARDS AND POLICIES

Changeover plan to International Financial Reporting Standards

The Accounting Standards Board has adopted IFRS as GAAP for publicly accountable enterprises. Adoption is required for fiscal years beginning on or after January 1, 2011. Transitional rules provide that for entities with a financial reporting period that does not coincide with the end of a month, as in the case of a 52-week / 53-week fiscal year, the mandatory date for first-time adoption of IFRS is the fiscal period beginning at the date closest to January 1, 2011. As the fiscal year of New Look ends the last Saturday of December, management has concluded that IFRS will apply to New Look

as of December 26, 2010. Since the comparative figures will also have to be presented under IFRS, the transition date to IFRS will in fact be in the case of New Look January 1, 2010. The changeover plan, commenced in 2007, includes the following:

- Designation of a person specifically trained on IFRS who reports to the chief financial officer;
- Identification of key areas that may be impacted by the transition to IFRS;
- Impact analysis, i.e. specification of changes required to existing accounting policies, information systems and internal controls;
- Implementation of changes to accounting policies, information systems and internal controls, where necessary;
- Regular reporting to the Audit Committee;
- Preparation in 2010 of simulated IFRS financial statements in order to identify detailed requirements of the new standards.

Areas identified as requiring attention include the following:

- *Deferred credit.* A deferred credit of \$9,004,000 was recorded in 2010 in accordance with recommendations contained in the abstract EIC-110, *Accounting for acquired future tax benefits in certain purchase transactions that are not business combinations*, of the Emerging Issues Committee of the Canadian Institute of Chartered Accountants. IFRS do not have any equivalent standards or guidelines. New Look is continuing its research on the appropriate accounting of such deferred credit under IFRS.
- *Non-controlling interest.* The new IFRS requirements regarding non-controlling interest have in fact been early adopted in 2010. See *Accounting Policies* above.
- *Revaluation of property and equipment.* IFRS permit the revaluation of such assets to fair value. At this time, management does not intend to adopt a policy of revaluing its assets to fair value, as these assets are mainly composed of leasehold improvements and equipment whose value declines with use and time.
- *Amortization of components of fixed assets.* IFRS require amortizing fixed assets based on the useful life of its main components. Management sees no difficulty in applying this principle.
- *Impairment test for goodwill and intangible assets of indefinite life.* For the purpose of the impairment test for goodwill and intangible assets of indefinite life under current Canadian GAAP, management considers all stores as a single reporting unit as all stores have similar economic characteristics. IFRS require impairment tests of goodwill and intangible assets of indefinite life for each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the related business combination. Although the two approaches may produce different results, management does not expect at this time any impairment loss on goodwill and intangible assets of indefinite life.
- *Borrowing costs.* Borrowing costs are currently recorded as an expense in the period in which they accrue. Under IFRS, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall form part of the cost of that asset; they cannot be expensed. A qualifying asset is an asset that necessarily takes a "substantial period of time" to get ready for its intended use or sale. Any of the following assets may be a qualifying asset: inventories, manufacturing plants, intangible assets, investment properties. As the time of construction of a new store is generally six weeks and the time of producing lenses is less than a week, management has taken the position that these periods are not substantial periods of time. Accordingly, management will not capitalize related borrowing costs.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

- **Segmented information.** The current management's position under current Canadian GAAP to consider all the activities of New Look as one reportable segment is maintained for the purpose of IFRS.
- **Opening balance sheet as of January 1, 2010.** At this time, management expects no changes to the figures on the opening balance sheet as of January 1, 2010 that will have to be presented under IFRS as comparative data in the financial statements for 2011.
- **Format of the balance sheet.** The statement of financial position (balance sheet) under IFRS usually presents non-current assets before the current assets, non-current liabilities before the current liabilities, and equity before the liabilities. An entity may choose a different presentation. At this time, management intends to continue presenting the assets, the liabilities and the equity in the order currently in use in North America.
- **Statement of cash flows.** Interest expenses are currently presented as a reduction of cash flows from operating activities and distributions and dividends are presented as financing activities. IFRS require each of such cash flows to be classified in a consistent manner from period to period either as operating or financing activities. Management intends to present interest, distributions and dividends paid as financing activities.
- **New statement of changes in equity.** IFRS require the presentation of a statement of changes in equity. In fact, this new statement will only replace the statement of deficit and the notes regarding the variation of the carrying values of units, exchangeable shares and contributed surplus.
- **Statement of comprehensive income.** IFRS require presenting an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function, whichever provides information that is reliable and more relevant. At this time, management is inclined to use what IFRS call the "function of expense" or "cost of sales" method, i.e. a classification according to the function of expenses as part of cost of sales or, for example, the costs of administrative activities. IFRS also require an entity classifying expenses by function to disclose additional information on the nature of expenses, including amortization and employee benefits expense. Management foresees no difficulty in complying with these requirements.
- **Leases.** Most leases to which New Look is a party (as lessee) are operating leases under current Canadian GAAP. New Look is also a lessee under some capital leases (which are recorded as assets and liabilities) which expired in 2010. Under IFRS, leases will be classified as either operating leases or finance leases. At this time, management has concluded that the typical leases for the stores, the laboratory and administrative premises will continue to be treated as operating leases, whose presentation will be very similar to the current presentation
- **Provisions for liabilities.** IFRS is viewed as having a lower threshold than current Canadian GAAP to recognize a provision as a liability. Management continues to investigate the impact, if any, of this lower threshold.
- **Share-based payments.** This topic includes compensation in the form of options granted to employees as New Look does. In accounting for the fair value of such options vesting at different dates, IFRS require to deal with each "instalment" as a separate transaction and value it independently. Under current Canadian GAAP, an entity can elect to pool such options and determine the fair value using the average life of the options. Management believes that such a change will not have a significant impact on the statement of earnings and the balance sheet.
- **Earnings per unit.** Management has concluded that the calculation of earnings per unit, basic and diluted, will be the same under IFRS as under current Canadian GAAP
- **Exemptions from full retrospective application of IFRS.** For practical reasons, management intends to elect the following optional exemptions from full retrospective application:
 - Business combinations completed prior to January 1, 2010 will not be revaluated;
 - Share-based payments (i.e. options granted in the case of the Fund) vested prior to January 1, 2010 will not be revaluated.

Overall at this time, management does not expect any significant changes to the calculation of net earnings. Cash flows from operations will generally show a higher amount due to the reclassification of interest expense to the financing activities.

RESULTS OF OPERATIONS

Revenues

Revenues for the third quarter of 2010 increased by 0.7% to \$16.6 million, compared to the third quarter of 2009. Revenues from comparable stores decreased by \$101,000, or 0.6%, while the other stores brought revenues of \$525,000. Comparable stores are those opened before 2009.

The decrease in revenues from the comparable stores in the third quarter reflects the net impact of the reduction in the average sale price of eyeglasses and the increase in the number of units sold. While volume of units sold increased significantly, revenues generated by the incremental volume has not been high enough to match 2009 revenues.

Cumulatively for the 39-week period ended September 25, 2010, revenues were \$51.3 million, down 0.1% compared to the corresponding period of 2009, revenues from comparable stores having decreased by 1.4%. The results for the 39-week period were negatively impacted by the second quarter where comparable store sales were down by 5.2%.

Cost of sales

The cost of sales can be summarized as follows:

	13 weeks		39 weeks	
	2010	2009	2010	2009
Periods ended in September of	\$	\$	\$	\$
Amounts included in cost of materials, direct labour, selling and administration expenses	7,843	7,698	24,118	22,919
<i>% of revenues</i>	47.3%	46.8%	47.0%	44.6%
Amounts included in amortization	237	229	688	688
	8,080	7,927	24,806	23,607

The main items of inventory used and reflected in the cost of sales are frames, lenses and production supplies. Gains and losses on foreign exchange related to goods sold are included in the cost of sales. The cost of sales also comprises operating expenses related to the laboratory and the distribution centre as well as the cost of professional services required for the purpose of producing lenses and adjusting the eyewear to the needs of customers. Amortization related to the assets used for these purposes is also allocated to cost of sales.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

The ratio of cost of materials, direct labour and operating expenses to revenues increased by 0.5 point in the third quarter of 2010 compared to last year.

The ratio increased by 2.4% when considering the 39-week period of 2010 compared to last year. This reflects higher costs of lens production suffered in the first two quarters of 2010 and higher costs of professional services required in the process of producing lenses and adjusting eyewear to the needs of customers. Higher costs of lens production were caused by the necessity of outsourcing production during the installation and fine tuning of a second HD production line, which was completed in the third quarter.

The amortization component of cost of sales was the same or approximately the same in the periods under comparison, as a result of the use of straight line methods of amortization.

Other operating expenses

Other operating expenses include occupancy costs, selling and general expenses of stores, as well as marketing and administration expenses. The amounts involved are the following:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Other operating expenses	6,484	6,560	20,532	20,387
<i>% of revenues</i>	<i>39.1%</i>	<i>39.9%</i>	<i>40.1%</i>	<i>39.7%</i>
<i>Variance</i>	<i>(76)</i>		<i>145</i>	

The third quarter of 2010 benefited from a decrease in head office general expenses which offset additional costs of salaries in stores, including the one added in the year. Cumulatively for the 39-week period, the increase in the other operating expenses was mainly attributable to a general increase in salaries, marketing and occupancy costs of stores.

EBITDA

New Look defines EBITDA as earnings before financial expenses, net of interest revenues, income taxes, and amortization. It also excludes any gain or loss on foreign currency translation (except if related to cost of sales), gains and losses related to former portfolio investments, equity-based compensation, and the cost of conversion to a corporation.

EBITDA is not a recognized measure under Canadian GAAP and may not be comparable to similar measures used by other entities. New Look believes that EBITDA is a useful financial metric as it assists in determining the ability to generate cash from operations.

Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings or cash flows as determined under GAAP. The reconciling items between net earnings and EBITDA are as follows:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net earnings	1,079	831	2,226	3,883
Amortization	995	843	2,800	2,385
Financial expenses, net of interest revenues	105	77	274	330
Equity-based compensation	25	39	72	119
Net loss (gain) on foreign exchange		115	(15)	224
Cost of conversion to a corporation			853	
Recovery of expenses related to former portfolio investments				(36)
Income taxes	38	283	404	1,122
EBITDA	2,242	2,188	6,614	8,027
<i>Variance in \$</i>	<i>54</i>		<i>(1,413)</i>	
<i>Variance in %</i>	<i>2.5%</i>		<i>(17.6%)</i>	
<i>% of revenues</i>	<i>13.5%</i>	<i>13.2%</i>	<i>12.9%</i>	<i>15.6%</i>

The increase in EBITDA for the third quarter of 2010 compared to last year resulted mainly from the reduction in head office general expenses. EBITDA for the 39-week period was negatively impacted by the results of the second quarter of 2010.

Amortization

Amortization expense varied as follows:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Amortization of property and equipment	776	766	2,273	2,175
Amortization of intangible assets	219	77	527	210
	995	843	2,800	2,385

The variation in amortization of property and equipment reflects the continuous addition of stores and renovations to existing stores as well as addition of equipment in the laboratory and in stores. The increase in the amortization of intangible assets reflects the acquisition of distribution rights, in March 2010, with respect to hearing protection devices. The carrying value of these rights, established at \$1.02 million, is amortized over a 24-month period beginning in April 2010.

Management's Discussion and Analysis



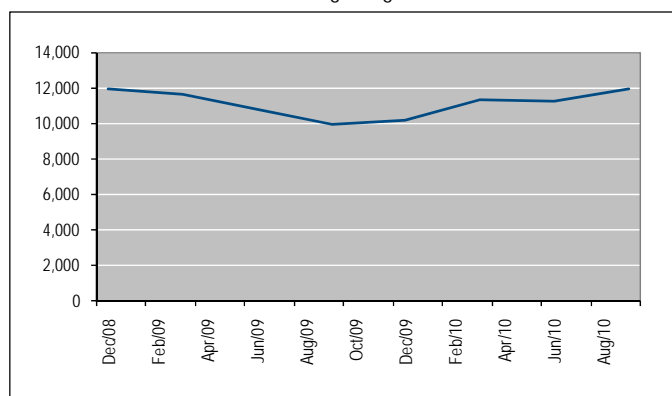
For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

Financial expenses, net of interest revenues

The following table provides the main elements of financial expenses along with interest revenues for the 13-week and 39-week periods ended September 25, 2010 compared with the corresponding periods of 2009:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest on long-term debt	84	48	219	236
Interest on bank indebtedness and other interest	7	16	11	54
	91	64	230	290
Financing fees	14	14	46	45
Interest revenues		(1)	(2)	(5)
	105	77	274	330

The following graph shows the total balances of long-term debt and short-term bank indebtedness since the beginning of 2009:



Interest on long-term debt increased in the third quarter of 2010 compared to last year following borrowings of \$3.7 million in 2010. These borrowings were aimed at financing capital expenditures which totalled \$4.1 million in 2010.

On a cumulative basis, the interest charges decreased in 2010 compared to last year as certain debts with interest rate approximating 9% were repaid while new borrowings bore interest at a lower rate.

As of September 25, 2010, 92% of the interest-bearing debt bore interest at an average floating rate of 3.7%.

Financing fees relate mainly to standby fees and accrued fees for the revision of the credit facilities. Interest revenues were not significant since cash generated by the operations was mostly invested in capital expenditures, distributed, or used to repay debt. Any amount put aside for the purpose of paying dividends bears a very low rate of interest.

Gain and loss on foreign currency translation

Gains and losses on foreign currency translation are due to the fluctuation of the US dollar and euro vis-à-vis the Canadian dollar on assets and liabilities denominated in these currencies and on foreign exchange contracts. The main elements of these assets and liabilities as of September 25, 2010 were as follows:

Cash	USD	46
Accounts payable	USD	865
Forward exchange contracts (liabilities)	CAD	32

Gains and losses related to costs of goods sold are reflected in the cost of sales; the net loss amounted to \$23,000 for the third quarter and \$68,000 for the 39-week period ended September 25, 2010. Other gains or losses are shown separately on the statement of earnings. In the 39-week period of 2010, they represented a net gain of \$15,000, mainly composed of the variation in the unrealized value of exchange contracts.

In the beginning of 2009, management established a policy aimed at covering approximately 50% of the purchases in US dollars forecast for the next 12 months through the use of foreign exchange contracts. As of September 25, 2010, foreign exchange contracts to purchase US \$1.2 million at an average rate of 1.054 were outstanding, while the spot rate was 1.05. As hedge accounting is not utilized, changes in fair value of exchange contracts are recognized in earnings.

Costs of conversion to a corporation

The costs of conversion of the Fund to a corporation relates mainly to legal fees for the preparation of the lengthy and complex documentation concerning the plan of arrangement and the various reorganization steps. They also include fees from the Toronto Stock Exchange, accounting fees, printing costs, and liability insurance covering former acts related to the Fund. The costs represented \$853,000 for the 39-week period of 2010.

Income taxes

The Fund was a mutual fund trust as defined under the *Income Tax Act* (Canada) and as a result, was not subject to taxation on its income to the extent that it was distributed to unitholders. Since all of its income had been distributed, the Fund has had no taxable income since its inception in 2005 up to its conversion to a corporation on March 2, 2010.

The income tax expense relates essentially to former New Look and the new entity New Look. The main change since March 2, 2010 is that former New Look could deduct the interest paid to the Fund in the calculation of its income for tax purposes. This deduction is no longer available to the new entity.

The effective tax rate applicable to the new entity New Look is approximately 3% after amortization of the deferred credit described in Note 7 to the interim financial statements for the third quarter of 2010. This deferred credit arose from the transaction with Sonomax in March 2010 which resulted in acquiring future income tax assets related to the equivalent of \$30 million in tax losses. The charge of \$404,000 in the 39-week period of 2010 includes the write-off of future income tax assets cumulated before the conversion of the Fund into a corporation and which have become null following the conversion.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

Net earnings

Net earnings for the third quarter and 39-week periods ended September 25, 2010 compared to the corresponding periods of 2009 are summarized as follows:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net earnings attributed to shareholders / unitholders	1,072	824	2,204	3,861
Variance in \$	248		(1,657)	
Variance in %	30%		(43%)	
% of revenues	6.5%		4.3%	
Net earnings per share or unit, basic and diluted	0.11	0.08	0.22	0.39

The increase in net earnings in the third quarter of 2010 compared to last year was mainly attributable to a reduction in the income tax expenses described in the preceding section.

The decrease in the year-to-date net earnings was essentially caused by the decrease in revenues and EBITDA in the second quarter and the one time conversion costs of the Fund to a corporation. Although the cumulative period benefited partly from the reduction in income tax expense due to the amortization of the deferred credit related to the Sonomax acquisition, it also suffered from a write-off of future income tax assets of \$196,000, as described in the preceding section.

Amongst the steps taken to reverse the unsatisfactory performance of the second quarter caused in part by the product mix, management launched a new "2 for 1" promotion campaign focussed on its traditional business, which is expected to increase revenues and EBITDA for the fourth quarter.

For more certainty, it is reminded that the conversion to a corporation has not caused any dilution of capital, since previous Fund units and exchangeable shares of former New Look have been exchanged for common shares of the new entity on a one-for-one basis.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited quarterly consolidated results for the 12-month period ended September 25, 2010, compared with the corresponding quarters of the previous period ended September 30, 2009.

	December		March		June		September		4 Quarters	
	2009	2008	2010	2009	2010	2009	2010	2009	2010	2009
Revenues from eye care	17,625	14,468	17,312	16,743	17,383	18,144	16,569	16,446	68,889	65,801
As a % of annual revenues from eye care	26%	22%	25%	25%	25%	28%	24%	25%	100%	100%
EBITDA	2,939	1,738	2,524	2,502	1,848	3,337	2,242	2,188	9,553	9,765
As a % of revenues from eye care	16.7%	12.0%	14.6%	14.9%	10.6%	18.4%	13.5%	13.3%	13.9%	14.8%
Gain (loss) on foreign exchange	12	26	(7)	27	22	(136)		(115)	27	(198)
Cost of conversion to a corporation			757		96				853	
Net earnings attributed to shareholders / unitholders	1,556	936	678	1,305	454	1,732	1,072	824	3,760	4,797
Net earnings per share or unit ^(a)										
Basic	0.16	0.10	0.07	0.13	0.05	0.17	0.11	0.08	0.38	0.48
Diluted	0.16	0.09	0.07	0.13	0.05	0.17	0.11	0.08	0.37	0.47
Distribution per unit / dividend per share ^(b)	0.163	0.163	0.112	0.163	0.050	0.163	0.150	0.163	0.48	0.65

- (a) Net earnings per unit or share for a period of four quarters may not correspond to the total of quarterly net earnings per unit or share, as a distinct calculation is made for each quarter or total period.
- (b) The distributions declared in the first quarter of 2010 covered the period from January 1 to March 2, 2010, i.e. the date of conversion to a corporation. A dividend of \$0.05 per share covering the period beginning from March 3 to March 27, 2010 was paid on May 31, 2010.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

LIQUIDITY

The following table shows the main elements of the statement of cash flows for the third quarter and the 39-week period ended September 25, 2010 compared with the corresponding periods of 2009:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating activities	2,110	1,875	5,459	7,430
Change in non-cash working capital items	263	1,091	948	1,808
Cash flows from operations	2,373	2,966	6,407	9,238
Investing				
Property, equipment and intangibles	(415)	(597)	(2,331)	(2,661)
Business transactions			(1,566)	(200)
Payment of balances of purchase price	(5)		(237)	
Financing				
Variation in bank indebtedness	(1,270)	(690)	(1,660)	(2,654)
Borrowings	2,005		3,705	1,000
Repayment of long-term debt	(60)	(166)	(221)	(1,060)
Lease inducements	45	45	90	154
Issuance of units			123	951
Distributions and dividends	(1,503)	(1,497)	(3,560)	(4,398)
Taxes related to dividends paid		(249)	(185)	(742)
Increase (decrease) in cash	1,170	(264)	565	(448)
Cash at beginning of period	234	294	839	478
Cash at end of period	1,404	30	1,404	30

Cash flows from operations

The increase in cash generated from operating activities before changes in non-cash working capital items in the third quarter of 2010 compared to last year essentially reflects the variation in net earnings. For the year-to-date period, the decrease also reflects the variation of net earnings, including the impact of non-recurrent additional costs caused by the conversion of the Fund to a corporation. Cash was also used or generated by the variation of the following working capital items in 2010:

	13 weeks	39 weeks
	\$	\$
Decrease in receivables	36	197
Receipt of R&D tax credits		146
Increase in inventory	(251)	(582)
Increase of prepaid expenses	(49)	(281)
Increase in accounts payable and accrued liabilities	600	1,496
Decrease in income taxes payable	(73)	(28)
Increase in cash	263	948

In the third quarter, the increase in inventory was essentially attributable to an increase in work-in-progress, caused by the "2 for 1" promotion campaign launched in August. The increase in accounts payable and accrued liabilities reflects, amongst other things, an increase in customers' deposits associated with the work-in-progress, cash received by New Look but payable to a third party, and to normal seasonal increase in accounts payable.

In the overall 39-week period, inventory and prepaid expenses increased due to the addition of a store in Valleyfield, new collections of eyeglasses in all stores, a production line in the laboratory, and an increase in work-in-progress. These additions were partly financed by an increase in accounts payable and customers' deposit related to orders in progress, and cash received on behalf of a third party. Decrease in receivables and the receipt of R&D tax credits also impacted favourably the cash position.

Investing activities

Investing activities in the third quarter of 2010, totalling \$415,000, related mainly to major renovations to a store. Previous investments in 2010 included the reorganization with Sonomax, the addition of a store in Valleyfield, the addition of equipment in the laboratory, and the continuous renewal of part of IT equipment.

It is reminded that the reorganization with Sonomax not only resulted in the Fund being converted to a corporation but it also involved the acquisition of a license to distribute hearing protection devices along with inventory, furniture, and future income tax assets. The investment of \$1,740,000 was paid in cash except for \$174,000 which took the form of preferred shares redeemable over the next two years subject to an escrow agreement to assure the respect of certain guarantees.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

The following table reconciles the investments in long-term assets and their financing:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Purchase of property and equipment	402	458	2,250	2,477
Sonomax transaction, net of deferred credit			1,740	
Assets acquired through business acquisitions, net of cash				1,314
Purchase of intangibles	13	139	81	184
	415	597	4,071	3,975
Debt assumptions				476
Balances of purchase price			174	638
Paid, as per cash flow statement	420	597	4,134	2,861
Less payments attributable to previous year's investment	(5)		(237)	
Total capital expenditures	415	597	4,071	3,975

Financing activities

Repayment of long-term debt was low in 2010 compared to last year as the bank agreed to postpone to May 30, 2012 the term of the revolving credit facility, known as "Evergreen". No payment of capital on advances received under the Evergreen credit facility will be required until that date. Other repayments on the long-term debt were made as scheduled.

The Company reduced its short-term bank indebtedness by \$1,660,000 to bring it to nil over the 39-week period of 2010. Previous use of the short-term bank indebtedness was essentially caused by capital expenditures.

The long-term borrowing of \$1.7 million made in the first quarter of 2010 under the Evergreen credit was essentially related with the reorganization with Sonomax. Another borrowing of \$2.0 million was made in the third quarter of 2010 to cover most of the other capital expenditures made in 2010.

Dividends paid in the third quarter of 2010 were intended to cover the preceding quarter. The amount represented \$0.15 per common share, which amount was based on an annual amount of \$0.60 per share since the conversion of the Fund to a corporation on March 2, 2010.

Previous distributions and dividends on former exchangeable shares were based on an annual amount of \$0.65 per unit.

Most new leases provide for the payment of inducements by the landlords to New Look. These inducements represented a source of cash of \$90,000 in 2010.

Issuance of units to directors and executives who exercised options under the option plan represented cash receipts of \$123,000 in 2010.

Increase in long-term debt also included amounts not received in cash, such as the balance payable in the amount of \$174,000 related to the reorganization with Sonomax. Although this balance is in the form of preferred shares, it is treated as a debt for accounting purposes, since it is expected that the amount will be redeemed over the next two years.

Tax related to dividends on exchangeable shares

Dividends on exchangeable shares were subject to a special 50% tax under Part VI.1 of the Income Tax Act (Canada). This tax is sometimes described as an "advance corporation tax" as it causes to a large extent a reduction of the corporate income tax, whether current or future. For the first quarter of 2010, the current portion of the tax not offset by a corresponding reduction in current income tax expense was estimated at \$185,000. This amount increased future income tax assets as it is expected it will reduce future income tax, except for an amount of \$16,000 which will not be recovered and consequently is recorded as an addition to the deficit. Part VI.1 tax does not apply to dividends on common shares; hence, no such tax accrued since the reorganization of March 2, 2010.

Credit facilities

The credit facilities with the bank were renewed on July 22, 2010.

The main change is the postponement of the term of the Evergreen revolving credit to May 30, 2012. Furthermore, 90 days after each year-end, New Look will have the option to extend the revolving term, subject to the bank's approval, for an additional term of 12 months so as to maintain a revolving term of 24 months. Hence, all advances made under the Evergreen credit totalling \$11 million as of September 25, 2010 will not be repayable until May 30, 2012, and their repayment could be postponed again.

The amount of the Evergreen credit has been maintained at \$12 million and the operating line of credit to finance day-to-day operations was reduced, at the request of New Look, from \$4 million to \$2.5 million. A credit for a maximum net risk of \$900,000 (formerly \$720,000) is also available to use treasury product derivatives such as interest rate swaps.

Advances on the operating line of credit bears interest at prime rate plus a premium varying from 0.5% to 1.0% (previously from 0.5% to 1.5%) depending on the ratio of interest-bearing debt to EBITDA. The floating-rate advances under the Evergreen credit bear interest at prime rate plus a premium varying from 0.75% to 1.25% (previously 0.5% to 1.25%).

New Look may still use its credit facilities through bankers' acceptances. The revised stamping fees on advances on the operating line of credit vary from 1.75% to 2.25% (previously 1.5% to 2.25%) depending on the ratio of interest-bearing debt to EBITDA. They vary from 2.0% to 2.5% (previously 1.5% to 2.5%) on advances on the Evergreen credit.

As of September 25, 2010, the balance of advances under the operating line of credit was nil. As of the same date, advances under the Evergreen credit were mostly financed through bankers' acceptances. The average effective interest rate of advances was then 3.7%.

Conditions imposed on New Look include the respect of certain ratios such as a debt service coverage ratio which measures the capacity of the Company to pay the debt service and occupancy expenses. Formerly this ratio was used to measure the capacity of the Company to pay its service debt. New Look respects this newly defined ratio and other ratios required by the bank.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

As of September 25, 2010, the credit facilities actually used and available were as follows:

	\$
Credit used	
Amounts drawn on the operating line of credit	Nil
Amounts drawn on the Evergreen credit to finance long-term assets	11,000
Credit available	3,417
Total credit facilities	14,417

Distributable cash

The Fund used to calculate and present its distributable cash based on recommendations contained in a guidance of the Canadian Institute of Chartered Accountants named *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities*. Management considers that in light of the conversion of the Fund to a corporation, it is no longer appropriate to report such distributable cash.

Capacity to meet obligations

Management determines the capacity of New Look to meet its obligations by an analysis of past and forecast cash flows, bank line of credit covenant ratios and other ratios. The following shows a summary of important guidelines used by management and the resulting performance:

		Sept. 25, 2010	Dec. 31, 2009
	Guidelines	\$	\$
Non-cash working capital ^(a)	Minimum of 1.0	1.0	1.1
Interest-bearing debt ^(b) to total capitalization ^(c)	Maximum of 0.5	0.40	0.36
		Four quarters ended Sept. 25, 2010	Four quarters ended Dec. 31, 2009
		\$	\$
Interest-bearing debt / EBITDA	Maximum of 2.0	1.1	0.8
Debt service and rent coverage ^(d)	Minimum of 1.1	1.5	1.3

- (a) The non-cash working capital ratio is equal to: current assets except cash / current liabilities except bank indebtedness and instalments on long-term debt payable within one year.
- (b) Interest-bearing debt corresponds to the total of long-term debt, including the short-term portion, and bank indebtedness in excess of cash.
- (c) Total capitalization corresponds to the total of equity, long-term debt, including the short-term portion, and bank indebtedness in excess of cash.
- (d) The debt service and rent coverage ratio is equal to: EBITDAR less dividends, distributions, redeemed shares or units and paid taxes / short-term portion of long-term debt, financial expenses and rent. EBITDAR is defined as EBITDA plus rent.

All ratios are within the guidelines established by management and approved by the Board of Directors and all ratios required by the bank were respected.

Furthermore, New Look constantly maintains and updates both its stores and production facilities in order to preserve and enhance the cash flows from operations. Out of the 64 stores at September 25, 2010, 62 were renovated or constructed over the last six years.

Cash flows from operations and the credit facilities are expected to be sufficient to meet operating requirements, maintenance capital expenditures, expansion capital expenditures, reimbursement of long-term debts, as well as declared dividends.

DISTRIBUTIONS AND DIVIDENDS

On March 19, 2010, the Fund made a final distribution to unitholders of record on February 28, 2010 on a pro rata basis for the number of days in the period from February 1 to March 2, 2010 calculated on a yearly basis of \$0.65 per unit. A corresponding dividend was also paid on the exchangeable shares of New Look.

Following its conversion to a corporation, New Look has established a policy of paying quarterly dividends. The first dividend was paid on May 31, 2010 to shareholders of record on May 21, 2010 for the stub period from March 3 to March 27, 2010. The dividend was \$0.05 per share, i.e. 1/12 of an annual amount of \$0.60.

In accordance with this dividend policy, a dividend of \$0.15 per share was paid on August 31, 2010 to shareholders of record on August 21, 2010. The Board of Directors maintained the annual basis of \$0.60 per share and thus declared a dividend of \$0.15 per share payable November 30, 2010 to shareholders of record on November 21, 2010.

FINANCIAL RISK MANAGEMENT

Details of financial risk management objectives and policies are described under Note 27 to the consolidated financial statements for 2009.

Exchange risk related to assets and liabilities denominated in foreign currencies is commented above in the section *Gain and loss on foreign currency translation*. Regarding purchases of goods in foreign currencies, New Look is subject to the fluctuations of the US dollar and euro vis-à-vis the Canadian dollar. New Look may not always be in a position to adjust the sales price reflecting a variation in costs. In the beginning of 2009, management established a policy covering approximately 50% of the purchases in US dollars forecast for the next 12 months through the use of foreign exchange contracts. Although the result has not been profitable up to now, the spot rates having been lower than the contractual rates, management maintains its policy on foreign exchange.

Almost all of the long-term debt bears a variable interest rate which has been profitable to New Look. The credit facilities allow New Look to use interest rate swap instruments when management will deem it appropriate. New Look also has an agreement with its bank allowing the Company to borrow through bankers' acceptances. The long-term debt to the bank is currently financed through a combination of bankers' acceptances and conventional loans at an average effective rate of 3.7%, which is favourable to New Look.

Credit risk related to the core business of New Look is not really an issue since the general policy is to require a down payment on accepting sales orders and payment of the balance of the sale price on delivery of goods.

Management's Discussion and Analysis



For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

Furthermore, following the arrangement with Sonomax on March 2, 2010, the new entity New Look is responsible for the obligations of Sonomax existing before the arrangement but is entitled to be indemnified under an agreement with Sonomax Technologies Inc. More details are provided in the Annual Information Form of New Look, dated March 18, 2010 and available on www.sedar.com.

The liquidity risk management is covered above in the section *Liquidity*.

OUTSTANDING SHARES AND OPTIONS

As of September 25, 2010, New Look had 10,023,732 Class A common shares outstanding. These are the only shares giving rise to dividends and to vote at any shareholders' meeting. These shares have been issued in exchange of the Fund units and the exchangeable shares of former New Look on a one-for-one basis.

As of September 25, 2010, New Look also had 174,000 Class A preferred shares issued and outstanding. These shares were issued pursuant to the arrangement completed on March 2, 2010. They are redeemable at \$1 each over the next 24 months. Their holders have no right to dividend and no right to vote. For accounting purposes, the preferred shares are treated as a liability. One third of the shares were redeemable in September 2010; the redemption has been postponed until the fulfilment of certain conditions.

On March 2, 2010, each Fund option was exchanged for an option to purchase one share of New Look. The exercise price of each option is equal to the market value of the share or former unit on grant date. All outstanding options will expire five years after the grant date. The maximum number of units issuable upon the exercise of options at any given time is 10% of shares outstanding. In the year-to-date period of 2010, 35,000 options to purchase units were exercised for an average price of \$3.51, 132,000 options at an exercise price of \$7.40 were granted and 50,000 options expired following the departure of an officer. As of September 25, 2010 there were 650,467 options outstanding for an average exercise price of \$6.85.

Normal course issuer bid

The normal course issuer bid implemented in April 2009 expired April 30, 2010. This plan allowed the Fund and, after the conversion, New Look to repurchase its units or shares. Management did not renew this plan, as there has been no repurchase of units or shares over the first four months of 2010.

CONTROLS AND PROCEDURES

Management is responsible for the design of internal control over financial reporting within New Look in order to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with Canadian GAAP. Management has evaluated that there were no change in its internal controls over financial reporting during the quarter ended September 25, 2010 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

OUTLOOK

In the previous quarterly report, management expressed the view that the second quarter's modest results were caused by significant but well identified problems. In its commitment to re-establish profitability to historical level, management has made key decisions, such as the "2 for 1" promotion campaign launched last August, which will have a positive impact in the fourth quarter.

The addition of a second HD production line in 2010 was part of our continuous endeavour to adapt new technologies in our laboratory in order to improve quality and productivity, and offer value-added products and services. Additional commitments have been made to add new equipment in the laboratory over the next five years.

New Look continues to focus on its development. In March 2010, the Company opened a new store in Valleyfield. It currently has commitments to add three other stores, including one by business acquisition. The relocation of the store in St-Georges, Québec, is also scheduled. Therefore, almost all of the New Look stores will have been added or renovated over the last six years. Keeping our stores modern and attractive is part of our value proposition. Our continued expansion plans include the development, by way of acquisitions, of the store network into smaller Québec markets where the offer of optical services and products can be enhanced. Such plans also include increasing our market share in existing stores in both the Québec and Ontario markets as well as introducing hearing protection devices in some stores.

Overall capital expenditures and increase in inventory currently planned for the rest 2010 and the beginning of 2011 exceed \$2.1 million.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. Although management believes the expectations reflected in those statements are reasonable, there can be no assurance that such expectations will prove to be correct.

November 5th, 2010

New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Consolidated Financial Statements

Third quarter ended
September 25,

2010



Celebrating 25 years of vision in 2010

Consolidated Earnings, Comprehensive Income and Deficit



Unaudited. In thousands of dollars, except per share and unit amounts

Consolidated Earnings and Comprehensive Income

Periods ended (Note 3)	13 weeks		39 weeks	
	Sept. 25, 2010	Sept. 30, 2009	Sept. 25, 2010	Sept. 30, 2009
	\$	\$	\$	\$
Revenues	16,569	16,446	51,264	51,333
Cost of materials, direct labour, operating, selling and administration expenses	14,327	14,258	44,650	43,306
Earnings before the undernoted items	2,242	2,188	6,614	8,027
Amortization	995	843	2,800	2,385
Financial expenses, net of interest revenues (Note 4)	105	77	274	330
Equity-based compensation expense	25	39	72	119
	1,125	959	3,146	2,834
Earnings before the following items	1,117	1,229	3,468	5,193
Net gain (net loss) on foreign currency translation		(115)	15	(224)
Cost of conversion to a corporation			(853)	
Recovery of expenses related to former portfolio investments				36
Earnings before income taxes	1,117	1,114	2,630	5,005
Income taxes (Note 12)	38	283	404	1,122
Net earnings and comprehensive income	1,079	831	2,226	3,883
Net earnings attributed to:				
Non-controlling interest	7	7	22	22
Shareholders / Unitholders	1,072	824	2,204	3,861
	1,079	831	2,226	3,883
See Notes 4 and 5 for other information on consolidated earnings				
Net earnings per share or unit (Note 16)				
Basic and diluted	0.11	0.08	0.22	0.39

Consolidated Deficit

Periods ended	13 weeks		39 weeks	
	Sept. 25, 2010	Sept. 30, 2009	Sept. 25, 2010	Sept. 30, 2009
	\$	\$	\$	\$
Balance, beginning of period	(6,780)	(5,520)	(6,335)	(5,580)
Net earnings attributable to shareholders / unitholders	1,072	824	2,204	3,861
Distributions to unitholders		(999)	(689)	(2,947)
Dividends and related taxes (Note 13)	(1,503)	(519)	(2,391)	(1,548)
Premium on repurchase of units		(44)		(44)
Balance, end of period	(7,211)	(6,258)	(7,211)	(6,258)

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Cash Flows

Unaudited. In thousands of dollars

Periods ended (Note 3)	13 weeks		39 weeks	
	Sept. 25, 2010 \$	Sept. 30, 2009 \$	Sept. 25, 2010 \$	Sept. 30, 2009 \$
OPERATING ACTIVITIES				
Net earnings	1,079	831	2,226	3,883
Items not affecting cash:				
Amortization	995	843	2,800	2,385
Amortization of deferred lease inducements and variation of deferred rent	(40)	(23)	(74)	(10)
Equity-based compensation expense	25	39	72	119
Accretion of non-interest bearing balance of purchase price	13	14	37	43
Future income tax expense (Note 12)	38	116	398	909
Loss on foreign currency translation related to long-term monetary assets and liabilities		55		101
Change in non-cash working capital items (Note 6)	263	1,091	948	1,808
Cash flows related to operating activities	2,373	2,966	6,407	9,238
INVESTING ACTIVITIES				
Purchase of property and equipment	(402)	(458)	(2,250)	(2,477)
Business transactions (Note 7)			(1,566)	(200)
Payment of balances of purchase price	(5)		(237)	
Acquisition of other intangible assets	(13)	(139)	(81)	(184)
Cash flows related to investing activities	(420)	(597)	(4,134)	(2,861)
FINANCING ACTIVITIES				
Variation in bank indebtedness	(1,270)	(690)	(1,660)	(2,654)
Long-term borrowings	2,005		3,705	1,000
Repayment of long-term debt	(60)	(166)	(221)	(1,060)
Lease inducements	45	45	90	154
Issuance of units pursuant to exercise of options			123	951
Distributions and dividends paid	(1,503)	(1,497)	(3,560)	(4,398)
Current taxes related to dividends paid		(249)	(185)	(742)
Repurchase of units		(76)		(76)
Cash flows related to financing activities	(783)	(2,633)	(1,708)	(6,825)
Net increase (decrease) in cash	1,170	(264)	565	(448)
Cash, beginning of period	234	294	839	478
Cash, end of period	1,404	30	1,404	30

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Balance Sheets

Unaudited. In thousands of dollars



	Sept. 25, 2010	Dec. 31, 2009
	\$	\$
ASSETS		
Current assets		
Cash	1,404	839
Receivables	671	913
Income taxes and tax credits receivable		146
Inventory	8,028	7,416
Prepaid expenses	640	359
Total current assets	10,743	9,673
Advances	80	80
Property and equipment (Note 8)	17,323	17,336
Tradenname	2,500	2,500
Goodwill	5,958	5,958
Future income taxes	8,519	
Other intangible assets (Note 9)	2,723	2,150
	47,846	37,697
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 10)		1,660
Accounts payable and accrued liabilities	9,066	7,570
Distributions and dividends payable		496
Income taxes payable	64	92
Instalments on long-term debt (Note 11)	463	1,162
Total current liabilities	9,593	10,980
Long-term debt (Note 11)	11,478	7,321
Deferred lease inducements and deferred rent	2,626	2,655
Future income taxes		179
Deferred credit	8,246	
	31,943	21,135
EQUITY		
Class A common shares (Note 14)	21,786	
Fund units (Note 14)		13,655
Exchangeable shares (Note 14)		7,989
Contributed surplus (Note 15)	1,276	1,223
Deficit	(7,211)	(6,335)
	15,851	16,532
Non-controlling interest (Note 17)	52	30
	15,903	16,562
	47,846	37,697

The accompanying notes are an integral part of the consolidated financial statements

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

1. GOVERNING STATUTES AND ACTIVITIES

New Look Eyewear Inc. ("New Look"), incorporated under the *Canada Business Corporations Act*, is involved in the eye care services industry in Canada.

New Look resulted from the conversion on March 2, 2010 of Benvest New Look Income Fund (the "Fund"), a publicly listed income trust, into a corporation. The conversion was realized pursuant to a plan of arrangement governed by the *Canada Business Corporations Act* involving the former subsidiary of the Fund, also named New Look Eyewear Inc. ("former New Look"), and Sonomax Hearing Healthcare Inc. ("Sonomax"). New Look has continued the activities formerly carried on by the Fund and its subsidiary and activities related to the distribution business of Sonomax. Subsequent to the arrangement, the holders of Fund units and the holders of exchangeable shares of its former subsidiary became shareholders of New Look. The Fund units (BCI.UN) formerly listed on the Toronto Stock Exchange ("TSX") have been replaced on the TSX by shares of New Look (BCI).

2. BASIS OF PRESENTATION

New Look is considered the continuation of the Fund and, accordingly, these consolidated financial statements are prepared using the continuity of interests method. Under this method, the assets, liabilities and equity of the Fund transferred to New Look on the conclusion of the plan of arrangement are recognized at their net carrying amount.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. They do not include all the information and notes required for annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements of the Fund for the year ended December 31, 2009.

These interim consolidated financial statements are also prepared in accordance with accounting policies described in the Fund's audited consolidated financial statements for the year ended December 31, 2009, except to the extent that the new accounting policies described in Note 3 apply.

3. ADOPTION OF NEW ACCOUNTING POLICIES

Year-end and interim accounting periods

The year-end of the Fund was December 31 and its interim accounting periods ended March 31, June 30 and September 30. The year-end of New Look is the last Saturday of December and its interim accounting periods end the last Saturday of March, June and September.

As former New Look had already adopted the last Saturday of March, June and September as the end of its interim periods, the comparative figures in the interim statement of earnings reflect the same number of weeks in 2010 as in 2009. Each quarter includes 13 weeks of operations and year-to-date data include 39 weeks of operations in 2010 and 2009.

Business combinations

The Canadian Institute of Chartered Accountants Handbook Section 1582, *Business Combinations*, replaces Section 1581 of the same title. Section 1582 establishes new standards for the accounting for a business combination. This Section constitutes the generally accepted principles ("GAAP") equivalent to the corresponding International Financial Reporting Standards ("IFRS"). This Section shall be applied prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Entities adopting this Section also adopts Section 1601 and Section 1602 described below. Earlier application is permitted and accordingly, New Look

has early adopted this new Section for business combinations occurring after December 31, 2009. New Look's management has determined that the main impact of this new Section will be the expensing of acquisition costs in the periods they are incurred instead of being capitalized as part of the cost of the acquisition.

Consolidated financial statements

The Canadian Institute of Chartered Accountants Handbook Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*, together replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the consolidated financial statements subsequent to a business combination. These Sections constitute the GAAP equivalent to the corresponding IFRS. These Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. New Look has early adopted these new Sections as of January 1, 2010. The impact of these new Sections resulted in the reclassification of the non-controlling interest on the balance sheet from the liabilities to the equity and the attribution of net earnings between the shareholders / unitholders and non-controlling interests rather than deducting the non-controlling interest to arrive to net earnings.

4. FINANCIAL EXPENSES, NET OF INTEREST REVENUES

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest on long-term debt	84	48	219	236
Interest on bank indebtedness and other interest	7	16	11	54
	91	64	230	290
Financing fees	14	14	46	45
Interest revenues		(1)	(2)	(5)
	105	77	274	330

5. UNDERLYING COMPONENTS IN CONSOLIDATED EARNINGS

Cost of sales

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Amounts included in cost of materials, direct labour, operating, selling and administrative expenses	7,843	7,698	24,118	22,919
Amounts included in amortization	237	229	688	688
	8,080	7,927	24,806	23,607

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

Other components

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Write-down of inventories included in cost of sales disclosed above	21	26	81	78
Gain (loss) on foreign currency translation included in cost of sales disclosed above	(23)	(6)	(68)	1
Other gain (loss) on foreign currency translation		(58)	15	(103)
Amortization of property and equipment ^(a)	776	766	2,273	2,175
Amortization of other intangible assets ^(a)	219	77	527	210
Accretion of non-interest bearing balance of purchase price, included in interest on long-term debt	13	14	37	43

a) The comparative amounts reflect a reclassification of application software from property and equipment to other intangible assets.

6. UNDERLYING COMPONENTS IN CONSOLIDATED CASH FLOWS

The changes in non-cash working capital items related to operating activities are detailed as follows:

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Receivables	36	168	197	405
Income taxes and tax credits receivable			146	222
Inventory	(251)	213	(582)	559
Prepaid expenses	(49)	11	(281)	(88)
Accounts payable and accrued liabilities	600	682	1,496	651
Income taxes payable	(73)	17	(28)	59
	263	1,091	948	1,808

Other changes in non-cash working capital items relate to the business transactions as described in Note 7, and lease inducements receivable which are related to financing activities.

7. BUSINESS TRANSACTIONS

In connection with the conversion of the Fund into a corporation under the plan of arrangement described in Note 1, a total consideration of \$1,740,000 composed of \$1,566,000 in cash and \$174,000 of redeemable preferred shares was paid for the transaction with Sonomax that resulted in the acquisition of the following net assets on March 2, 2010:

	2010
	\$
Inventory	30
Equipment	10
Distribution license	1,019
Future income tax asset	9,685
Total assets acquired	10,744
Deferred credit	9,004
Net assets acquired	1,740
Cash paid	1,566
Balance payable through the issuance of preferred shares	174
	1,740

The distribution license refers to distribution rights with respect to hearing protection devices. The license is amortized over a 24-month period beginning in April 2010.

The future income tax asset relates to the equivalent of approximately \$30 million in tax losses, including research and development tax credits. The deferred credit relating to this income tax asset is amortized to future income taxes and calculated proportionally to the utilization of the future income tax asset.

The balance payable is in the form of preferred shares redeemable as follows: 1/3 in September 2010, 1/3 in March 2011 and 1/3 in March 2012. The redemption is subject to certain terms and conditions under an escrow agreement. The portion payable in September 2010 was retained as some conditions were not fulfilled.

The allocation of the acquisition cost to the net assets acquired is preliminary and is subject to change

8. PROPERTY AND EQUIPMENT

	September 25, 2010		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	1,129	637	492
Optical equipment	2,179	210	1,969
Other equipment and tools	23,257	16,623	6,634
Signs	1,442	795	647
Leasehold improvements	13,960	6,577	7,383
Assets under capital leases			
Other equipment and tools	766	642	124
Leasehold improvements	233	204	29
Deposit to acquire equipment	45		45
	43,011	25,688	17,323

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

	December 31, 2009		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	901	471	430
Optical equipment	1,699	107	1,592
Other equipment and tools	21,994	15,782	6,212
Signs	1,387	713	674
Leasehold improvements	13,218	5,530	7,688
Assets under capital leases			
Other equipment and tools	766	623	143
Leasehold improvements	233	188	45
Deposit to acquire equipment	552		552
	40,750	23,414	17,336

9. OTHER INTANGIBLE ASSETS

	September 25, 2010		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Leases	537	136	401
Application software	894	295	598
Customer relationships	675	201	474
Non-competition agreement	633	148	485
Distribution license	1,019	254	765
	3,758	1,034	2,723

	December 31, 2009		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Leases	537	97	440
Application software	836	207	629
Customer relationships	652	120	532
Non-competition agreement	633	84	549
	2,658	508	2,150

10. CREDIT FACILITIES

The credit facilities existing at December 31, 2009 were renewed on July 22, 2010. The main elements of the renewed facilities are the following:

- An operating line of credit of \$2.5 million to finance short term assets and day-to-day operations and an "Evergreen" operating credit of \$12 million to finance long term assets maturing on May 30, 2012. Both credit facilities will be reviewed annually. Every year, New Look shall have the option to extend the revolving term of the Evergreen credit, subject to the bank's approval, for an additional year so as to maintain a revolving term of two years. Should a revolving term not be renewed, New Look will retain its privileges until the expiry date already granted, on which date the principal then owing shall be converted to a term loan with a maximum term and amortization period of 4 years, payable in equal consecutive monthly instalments.
- Advances under the operating line of credit bear interest at prime rate plus a premium varying from 0.5% to 1.0%, depending on the ratio of interest-bearing debt to earnings before interest, income taxes and amortization ("EBITDA"). The premium varies from 0.75% to 1.25% in the case of advances under the Evergreen operating credit.
- New Look may use its lines of credit through bankers' acceptances. Fees vary from 1.75% to 2.25%, depending on the ratio of interest-bearing debt to EBITDA, in the case of the operating line of credit and from 2.0% to 2.5% in the case of the Evergreen operating credit.
- A credit for a maximum net risk of \$900,000 is available to New Look to use treasury product derivatives such as interest rate swaps.
- The security given to the bank includes a first-ranking hypothec of \$25 million on New Look's movable property (same as at December 31, 2009).
- The conditions include the respect of financial ratios such as a debt service coverage ratio which measures the capacity of New Look to pay the debt service and the occupancy expenses.

As at September 25, 2010, there were no advances on the operating line of credit. As at December 31, 2009, the advances on the operating line of credit bore interest at prime rate of 2.25% plus a premium of 0.75% for a total of 3.0%. New Look had no bankers' acceptances related to the operating line of credit as at September 25, 2010 and December 31, 2009.

Refer to Note 11 for more details on advances under the Evergreen credit.

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

11. LONG TERM DEBT

	Sept. 25, 2010 \$	Dec. 31, 2009 \$
Bankers' acceptances under the Evergreen credit, effective rate of 3.6% (2.3% as of December 31, 2009)	8,995	7,295
Other advances under the Evergreen credit, interest rate of 4.0%	2,005	
Balance of purchase price, initial nominal amount of \$780, without interest, average annual payment of \$195 from 2010 to 2013, fair value estimated using a discount rate of 9%	494	690
9% note payable, secured by leasehold improvements having a carrying value of \$201, payable in monthly instalments of \$7, capital and interest, maturing in May 2012	142	175
6.15% note payable in monthly instalments of \$15, capital and interest, maturing in September 2010		117
8.88% note payable, secured by leasehold improvements and equipment having a carrying value of \$121, payable in monthly instalments of \$2, capital and interest, maturing in May 2014	73	85
Obligations under capital leases, average rate of 10.6%, payable in monthly instalments, maturing on various dates until 2010		17
9% note payable in monthly instalments of \$1, capital and interest, maturing in January 2013	21	48
6.6% note payable in monthly instalments of \$1, capital and interest, maturing in 2013	30	37
9% note payable in monthly instalments of \$1, capital and interest, maturing in July 2011	7	14
Balance of purchase price through the issuance of 174,000 Class A preferred shares (Note 7)	174	
Other		5
	11,941	8,483
Instalments due within one year	463	1,162
	11,478	7,321

12. INCOME TAXES

The components of the income tax expense are as follows:

	13 weeks		39 weeks	
	2010 \$	2009 \$	2010 \$	2009 \$
Current		167	6	213
Future	38	116	398	909
	38	283	404	1,122

The amounts of future income taxes reflect the use of carried forward tax losses. These amounts are net of the amortization of deferred credit described in Note 7.

13. DIVIDENDS AND RELATED TAXES

	13 weeks		39 weeks	
	2010 \$	2009 \$	2010 \$	2009 \$
Periods ended in September of				
Dividends declared	1,503	497	2,375	1,484
Current tax		249	185	742
Future tax		(227)	(169)	(678)
Net tax related to dividends		22	16	64
	1,503	519	2,391	1,548

The current tax corresponds to the tax payable on the dividends on exchangeable shares and not offset by a corresponding reduction in current income tax expense. The negative amounts of future tax correspond to additions to future income tax assets.

14. FUND UNITS, EXCHANGEABLE SHARES AND CLASS A COMMON SHARES

Authorized capital as of December 31, 2009

Fund units

Unlimited number of units, each representing an equal beneficial interest in any distribution and in the net assets in the event of termination and entitling the holder to one vote.

Exchangeable shares

An unlimited number of exchangeable shares of former New Look, each exchangeable into one Fund unit, giving right to a dividend equal to the distribution declared on each Fund unit less an amount reflecting any tax required to be paid by former New Look in respect of such dividend. The dividend was stated at two-thirds of the corresponding distribution, unless the distribution was sourced from dividends of former New Look, in which case the Board of Directors of former New Look had discretion to reduce the discount on any dividend payable on the exchangeable shares.

Special voting units issued by the Fund gave the right to holders of exchangeable shares to be represented at meetings of unitholders.

Authorized share capital as of September 25, 2010

Class A common shares

Unlimited number, voting and participating.

First preferred shares

Unlimited number, issuable in series, whose designation, rights, privileges, restrictions and conditions attaching to each series shall be established at issue time.

Class A preferred shares

Unlimited number, non-voting and non-participating. These shares are treated as a liability for accounting purposes. Refer to Note 11.

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

Issued units, exchangeable shares and Class A common shares

The consolidated number and carrying value of the Fund units and exchangeable shares of former New Look, and Class A common shares of New Look are reconciled as follows:

	Class A Common shares		Units		Exchangeable shares	
	Number	\$	Number	\$	Number	\$
Balance at December 31, 2009			6,118,328	13,655	3,870,404	7,989
Issued pursuant to exercise of options						
Paid in cash, average price of \$3.51 per unit			35,000	123		
Transfer from contributed surplus ^(a)				19		
			6,153,328	13,797	3,870,404	7,989
Exchange for Class A common shares ^(b)	10,023,732	21,786	(6,153,328)	(13,797)	(3,870,404)	(7,989)
Balance at September 25, 2010	10,023,732	21,786	-	-	-	-

- a) The transfer from contributed surplus corresponds to the equity-based compensation expense previously recorded and recognized in contributed surplus.
- b) Fund units and exchangeable shares were exchanged for Class A common shares on a one-for-one basis.

15. CONTRIBUTED SURPLUS

	2010
	\$
Balance, beginning of period	1,223
Equity-based compensation expense	72
Transfer to Fund units	(19)
Balance, end of period	1,276

The amounts corresponding to the equity-based compensation expense are credited to contributed surplus over the vesting period of options granted and balances in contributed surplus are transferred to the carrying value of Fund units or share capital when the related options are exercised.

16. NET EARNINGS PER SHARE OR UNIT

Periods ended in September of	13 weeks		39 weeks	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net earnings attributable to shareholders / unitholders	1,072	824	2,204	3,861
Weighted average number of units and exchangeable shares or common shares	10,023,732	10,012,220	10,021,644	9,893,668
Dilutive effect of unit options / stock options	33,734	16,327	40,987	45,146
	10,081,093	10,028,547	10,062,631	9,938,814
Basic net earnings per share or unit	0.11	0.08	0.22	0.39
Diluted net earnings per share or unit	0.11	0.08	0.22	0.39

17. NON-CONTROLLING INTEREST

	2010
	\$
Balance, beginning of period	30
Net earnings attributed to minority interest	22
Balance, end of period	52

18. OPTION PLAN

Options to purchase Fund units have been replaced by options to purchase shares of New Look under the same conditions as those existing under the previous Fund option plan.

Changes in options outstanding were as follows:

	Number	Weighted average exercise price
Outstanding at beginning of period	603,467	6.00
Granted	132,000	7.40
Exercised	(35,000)	3.51
Expired	(50,000)	5.50
Outstanding at end of period	650,467	6.85

The options granted in the 39-week period ended September 25, 2010 have either one of the following vesting periods:

- one third after the grant date, an additional one third at the end of the first year and the balance at the end of the second year;
- 50% after the grant date, 25% at the end of the first year and the balance at the end of the second year.

Notes to Consolidated Financial Statements



Unaudited. For the 13-week and 39-week periods ended September 25, 2010 and September 30, 2009. Amounts in tables are in thousands of dollars, except per share and unit amounts.

The fair value of the options granted was estimated using a Black-Scholes option pricing model with the following assumption.

Expected life (years)	4
Expected volatility	27%
Risk-free interest rate	2.8%
Expected annual dividends	0.60

The weighted average fair value of options granted in 2010 was \$0.76 per option.

19. FORWARD EXCHANGE CONTRACTS

New Look uses forward exchange contracts to protect future foreign currency purchases against changes in exchange rates. New Look does not use hedge accounting; accordingly, forward exchange contracts are recognized at their fair value on the balance sheet and changes in fair value are recognized in earnings.

Forward exchange contracts outstanding as of September 25, 2010 related to purchases of US dollars. They are summarized as follows:

Maturity	USD	Average contract rate
Less than 4 months	200	1.068
From 4 to 12 months	1,000	1.051

As at September 25, 2010, the estimated fair value of the above exchange contracts was a liability of \$32,000.

20. CAPITAL MANAGEMENT

New Look's objectives when managing capital are:

- To continue to successfully build the business with a conservative capital structure at the same time as maintaining and increasing distributions to shareholders; and
- To provide above average return to the shareholders commensurate with the level of risk;

New Look's capital is composed of equity, the long-term debt including the current portion, and short-term bank indebtedness, less cash. New Look manages the capital structure by financing its growth by using a combination of its credit facilities and cash flows from operations.

New Look's capital structure is as follows:

	Sept. 25, 2010	Dec. 31, 2009
	\$	\$
Equity	15,903	16,562
Long-term debt including current portion	11,941	8,483
Bank indebtedness		1,660
Cash	(1,404)	(839)
Total capitalization	26,440	25,866

The Company's guidelines with respect to its capital structure were changed in 2010 to add a debt service and rent coverage ratio. These guidelines and the resulting performance read as follows:

	Guidelines	Sept. 25, 2010	Dec. 31, 2009
Interest bearing debt ^(a) / EBITDA ^(b)	Maximum of 2.0	1.1	0.8
Interest bearing debt ^(a) / Total capitalization	Maximum of 0.50	0.40	0.36
Debt service and rent coverage ^(c)	Minimum of 1.1	1.5	1.3

- For this calculation, interest bearing debt is net of cash; it includes any balance of purchase price of long-term assets even if such balance bears no interest.
- EBITDA is net earnings before financial expenses net of interest revenues, amortization, and income taxes for the last four quarters. It excludes any gain or loss on foreign currency (except if related to cost of sales), expenses related to former portfolio investment, equity-based compensation and non-controlling interest.
- The debt service and rent coverage ratio is equal to: EBITDAR for the last four quarters less dividends, distributions, redeemed shares or units and paid taxes in these quarters / current portion of long-term debt, financial expenses and rent. EBITDAR is defined as EBITDA plus rent.

While New Look is not subject to externally imposed capital requirements, its credit facilities are subject to a number of covenants, including an interest bearing debt to EBITDA ratio, which were respected as of September 25, 2010 and December 31, 2009.

New Look has no commitments to issue shares except pursuant to the exercise of options. The normal course issuer bid, under which the Fund could repurchase its units, expired April 30, 2010.

21. SUBSEQUENT EVENT

On November 5, 2010, the Board of Directors declared a dividend of \$0.15 per Class A Common share payable November 30, 2010 to shareholders of record on November 21, 2010.

On March 2, 2010, Bervest New Look Income Fund (formerly TSX:BCI.UN) was converted into a corporation named New Look Eyewear Inc. (TSX:BCI). As of October 31, 2010, New Look had 10,023,732 common shares issued and outstanding. New Look is a leader in the eye care industry in Eastern Canada operating a network of corporate stores and a laboratory using state-of-the-art technologies.



Third quarter ended
September 25,

2010

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Chairman
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C. Emmett Pearson
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Richard Cherney
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President and Chief Executive Officer
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William R. Ferguson
President
Eric T. Webster Foundation

Martial Gagné
President
New Look Eyewear Inc.

Quarterly Report

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New Look Eyewear Inc.

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Claire Boulanger
Vice President
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